GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3829
ANSWERED ON:17.08.2001
FOODGRAIN PROCUREMENT POLICY
LAKSHMAN CHANDRA SETH

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of the foodgrain procurement policy of the Government at present;

(b) whether the Government propose to bring some changes in it so that the sufferings of the farmers are minimised; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a): Under the present policy, Government procures foodgrains conforming to Fair Average Quality (FAQ) specifications through the Food Corporation of India (FCI) and State Government agencies under price support operations. However, the farmers have the option to sell their produce to FCI/State Govt. at support prices or in the open market, as is advantageous to them.

(b) & (c) : The scheme of decentralized procurement of foodgrains was discussed in the Chief Ministers Conference on 21.5.2001 and in the meeting of the Standing Committee of Union Minister and Chief Ministers on 6.7.2001.It was decided that further consultation would be held with the State Governments and the scheme of decentralized procurement would be implemented on a gain sharing basis with those States which agree to adopt the scheme. The scheme has the following advantages :-

(i) Local farmers would get the Minimum Support Price.

(ii) Dependence of the State Governments on the FCI for PDS supplies would be reduced.

(iii) Higher local procurement would reduce pressure on freight movement by rail.

(iv) Locally grown varieties, which are preferred by local consumers, will be available through the Public Distribution network.

(v) Since the consuming states themselves will be procuring foodgrains, there would be no complaint about quality.

(vi) The economic cost of the foodgrains to be procured by the States under the decentralized scheme would normally be less than the economic cost of the FCI.